

**Date: August 28, 2012**

**FOR YOUR INFORMATION**

**To: Mayor and Members of Council**  
**From: Milton Dohoney, Jr., City Manager** *MD*  
**Subject: Cincinnati Streetcar Update**

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In May, City Council passed Ordinance #186-2012 appropriating the property located at 1910 Elm Street to public use for the construction of a maintenance and operations facility for the Cincinnati Streetcar. I am pleased to report that the City has executed a contract with the property owner to acquire the property, eliminating the need for a lengthy and potentially costly court proceeding.

This milestone completes the necessary real estate acquisition for the streetcar, and represents one of many significant accomplishments in recent months toward completion of the streetcar project. These include:

- **Completion of Final Design and Final Cost Estimates**

The award of a federal TIGER 3 grant in December 2011 allowed the streetcar route to be extended from its prior southern terminus at 5<sup>th</sup> Street to 2<sup>nd</sup> Street, connecting the streetcar to The Banks and the new Smale Riverfront Park. Additional design work related to the extension commenced in the spring and following final design review by the project team, will be complete in September, paving the way for the project to potentially issue a solicitation for construction bids in the fall. The streetcar is a two year construction project with an additional six months for testing and commissioning; thus if bid this fall, the streetcar is projected to begin revenue service in Summer 2015. With final construction drawings, the project team is completing a final cost estimate in full consultation with the FTA.

The Administration continues to monitor the sources and uses for funding very closely. Recent Council action on the Blue Ash funds has helped on the sources side of the ledger, and the Finance Department will assess updated TIF District projections that are coming in to fully evaluate the project's tight margins. The full scope of the Duke relocation work and ensuing timeline is the single largest outstanding item affecting cost and schedule.

- **Third Party Utility Coordination**

Over the past several months, the City has made significant progress on third party utility work to be performed in conjunction with the streetcar. Agreements with Cincinnati Bell, Level 3 Communications and Greater Cincinnati Water Works (GCWW) have all been

executed. Water main relocation work to be performed by GCWW began in February and is expected to be complete by the end of the year. Cincinnati Bell and Level 3 Communications have both been working cooperatively with the City to design the relocation work they will perform in conjunction with the streetcar, which is expected to commence at the end of the summer. Relocation of sewer manholes and other facilities to be performed in conjunction with the streetcar has been incorporated into the project design and will be performed primarily by the streetcar construction contractor.

The City's negotiations with Duke Energy regarding the required relocation of Duke electric and gas facilities have been more difficult. While the City and Duke have agreed on a three-foot zone of influence within which Duke may need to relocate its facilities, Duke has refused to perform the required design and engineering work needed to allow the City to schedule and bid construction of the streetcar track pending resolution of its proposal to pass relocation costs on to City rate payers as part of its rate case before the Public Utilities Commission of Ohio (PUCO). This refusal threatens to pose significant cost risk as well as schedule risk to the construction of the streetcar system.

It remains the City's position that Duke is responsible under State Law for performing and bearing the full cost of its relocation work. The City is investigating potential legal remedy to the situation as well as potential stopgap funding mechanisms that will allow work to continue while cost sharing issues are resolved at a later time. This strategy has proven successful in other streetcar cities.

- **Operations Planning**

In June, Paul Grether joined the project team as SORTA's new Rail Services Manager. Mr. Grether joins the project from Atlanta, where he previously served as Manager of Streetcar Development for the Metropolitan Atlanta Rapid Transit Authority (MARTA). Since his arrival, Mr. Grether has provided invaluable operational input into the system's design and is working with the City project team to develop the details, including fare policy, of the City/SORTA operating agreement under which SORTA will serve as the operator of the City-owned streetcar system.

- **Development of ROW Access Permitting Process**

In addition, the City's right-of-way permitting staff has been working closely with SORTA operations staff to develop a Track Access Permit (TAP) procedure, to be administered by SORTA in conjunction with the City's own right-of-way permitting structure that will govern access to the right-of-way in streets along the streetcar route. The TAP procedure is modeled after similar permitting processes in other streetcar systems and will establish parameters and procedures for when and how employees of utilities, City departments, and contractors working in the right-of-way can access manholes and other facilities located in the right-of-way in proximity to the streetcar track, vehicles, and overhead electrical system, through the new permitting process to be governed by the City and SORTA. The TAP process will provide for both scheduled and emergency access to the streetcar right-of-way, including provisions for when streetcar service will be affected and when the system will be depowered. It serves as a critical process to ensure the safety of the streetcar system, those working in, on, and around it, and the travelling public.

**Next Steps**

As the design phase for the streetcar draws to a close, the project is preparing to enter the construction phase with the issuance of a solicitation for bids this fall, with an award and commencement of track and systems construction beginning shortly after the first of the year. As described above, however, the schedule for this solicitation is affected by Duke Energy's schedule for performing design and construction work associated with the relocation of their facilities.

Meanwhile, the City is working with CAF-USA, the selected manufacturer streetcar vehicles for the system, to complete required due diligence and contract negotiations to provide Cincinnati with the first entirely low-floor modern streetcar in the United States. Notice to proceed with vehicle production is expected in November.

This memorandum is provided for informational purposes only. No action by City Council is required.

MDJ:cje



Cc: Chris Eilerman, Assistant to the City Manager